

**AUBURN CITY COUNCIL
AUBURN URBAN DEVELOPMENT AUTHORITY
AUBURN PUBLIC FINANCING AUTHORITY
JOINT MEETING MINUTES
September 22, 2008
REGULAR SESSION**

The Joint Session of the Auburn City Council, Auburn Urban Development Authority and Auburn Public Financing Authority was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Monday, September 22, 2008 at 6:00 p.m. with Mayor/Chair Keith Nesbitt presiding and City Clerk/Secretary Joseph G.R. Labrie recording the minutes.

**CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL:**

**City Council
Auburn Urban Development Authority
Auburn Public Financing Authority**

Council, AUDA, APFA
Members Present:

J. M. Holmes, Kevin Hanley, Bridgett Powers, Robert Snyder, Keith Nesbitt

Council, AUDA, APFA
Members Absent:

None

Staff Members Present: City Manager/Executive Director Robert Richardson, City Attorney/Authority Counsel Michael Colantuono, Administrative Services/Finance Director Andy Heath, Fire Chief Mark D'Ambrogi, Police Chief Valerie Harris, Public Works Director Jack Warren, Associate Planner Lance Lowe

1. Public Comment

Joe Moreno, 160 East Placer Street, stated the City parks need to be cleaned better and he has personally been picking up trash daily without monetary compensation. Mayor Nesbitt stated he appreciated Mr. Moreno's volunteer efforts.

2. Authorization to Issue Tax Allocation Bonds to Finance Public Improvements and Public Facilities within the Project Areas of the Auburn Urban Development Authority

Administrative Services Director Andy Heath advised of staff's intention to recommend actions related to the issuance of Tax Allocation Bonds for the City's Auburn Urban Development Authority. He introduced the financing team who has been of assistance in preparing the bonding package. He introduced Mike Busch, financial advisor from Urban Futures, Inc., Don Fraser, fiscal consultant from Don Fraser & Associates, Todd Smith, underwriter from M. L. Stern & Company and Dave Fama, bond and disclosure counsel from the Law Firm of Jones Hall.

Mr. Heath explained the purpose and rationale for Tax Allocation Bonds, how bond proceeds will be used, the structure of the bonds, the actions that were being recommended and key financing dates. Council questions followed.

Mr. Heath advised that the bond proceeds would be used primarily towards the streetscape project and commercial district façade improvements and parking. He said the bond would be structured as a fixed-rate bond with level payments over 30 years. He said the bonds will be laddered maturity bonds, meaning the bonds will expire at different times.

Mr. Heath announced that if there were individual investors who would be interested in purchasing the AUDA bonds, they should contact him prior to October 3, 2008. He asked that the press put the notice in the Auburn Journal to inform the public that they may purchase the bonds.

Council Member Powers asked about commercial district façade improvements.

In response to Council Member Holmes' question, Mr. Heath advised that all bonds would be issued at the same time. Mr. Holmes emphasized that bonds could be purchased in denominations of \$5000, as indicated in the Preliminary Official Statement, making it more practical for local people to purchase them.

Council Member Hanley said that staff is proposing to finance several priority projects through a Tax Allocation Bond. He asked for further explanation of some of the "assumptions" in the proposal. Mr. Heath stated that the AUDA assessed valuation has grown more in the redevelopment area than in the remainder of the City. He said the assessed valuation played heavily in the analysis with a very conservative growth projection. Mr. Hanley stated that he was pleased with the conservative approach.

Council Member Holmes asked for clarification regarding the statement that the 2008 bonds are not the responsibility or obligation of the City of

Auburn. City Attorney Michael Colantuono responded that AUDA is a separate entity, established under state law. He said AUDA is issuing the bonds and is responsible for them.

The City Council, by **RESOLUTION 08-122,**

- A. Authorize the issuance of Tax Allocation Bonds by the Auburn Urban Development Authority (AUDA) for the purposes of financing programs, projects and activities of the AUDA relating to the Redevelopment Project.
MOTION: Holmes/Hanley/Approved 5:0

The Auburn Urban Development Authority Board of Directors, by
RESOLUTION 08-12,

- A. Authorize the issuance of Tax Allocation Bonds (Bonds) under the Redevelopment Law in the aggregate principal amount of not to exceed \$6,500,000;
- B. Approve the Indenture in substantially the form thereof on file with Secretary together with any additions thereto of changes therein deemed necessary or advisable by the Executive Director or Treasurer of the AUDA, including, without limitation, the addition to the Indenture of bond insurance and the final interest rates payable with respect to the Bonds and the final principal amount and annual maturities of the Bonds;
- C. Authorize the Bonds to be sold by negotiated sale to the Auburn Public Financing Authority (Authority) and re-sold concurrently by the Authority to M.L. Stern & Co. LLC (the underwriter) under a Bond Purchase Contract in substantially the form on file with the Secretary together with any additions thereto or changes therein approved by the Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such additions or changes. The purchase price received by the Authority and the AUDA on the sale of the Bonds must be at least equal to 99.125% of the par amount thereof, and the true interest rate on the Bonds may not exceed 7.00% per annum; and
- D. Approve, and deem nearly final, the Preliminary Official Statement describing the Bonds in the form on file with the Secretary; and
- E. Authorize the appointment of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel and disclosure counsel.

MOTION: Holmes/Hanley/Approved 5:0

The Auburn Public Financing Authority Board of Directors, by
RESOLUTION 08-1,

- A. Authorize the purchase of the Bonds from the AUDA, and the concurrent sale of the Bonds to M.L. Stern & Co. LLC, as underwriter (Underwriter) to the AUDA. The aggregate amount of the Underwriter's discount on the sale of the Bonds shall not exceed 0.875% (87.5 basis points) of the par amount thereof and the weighted average rate of interest to be borne by the Bonds shall not exceed 7.00% per annum.

MOTION: Holmes/Hanley/Approved 5:0

ADJOURNMENT

Mayor/Chair, without objection, adjourned the joint meeting and reopened the meeting of the Auburn City Council.

Keith Nesbitt, Mayor
Auburn City Council

Keith Nesbitt, Chair
Auburn Urban Development
Authority

Keith Nesbitt, Chair
Auburn Public Financing
Authority

Joseph G. R. Labrie, City Clerk

Joseph G. R. Labrie, Secretary
Auburn Urban Development Authority

Joseph G. R. Labrie, Secretary
Auburn Public Financing Authority